

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MT. OLIVET)	CASE NO. 9918-AA
NATURAL GAS COMPANY, INC.)	

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 13, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") notified the Commission that it will receive a decrease in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective May 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet's notice of March 13, 1989 set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas cost from its supplier in the amount of \$1,408 or 3.58 cents per

Mcf. In computing the change in gas cost, Mt. Olivet used an incorrect rate for Transmission effective March 1, 1989. In setting out the change in rates, Mt. Olivet used its proposed rates in Case No. 9918-Z, which were incorrect, instead of the approved rates in Case No. 9918-Z. In future purchased gas adjustment filings, Mt. Olivet should use the approved rates as the basis for setting out changes in rates.

(2) Transmission filed revised rates with the Federal Energy Regulatory Commission to be effective May 1, 1989.

(3) Mt. Olivet's corrected adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after May 1, 1989.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after May 1, 1989.

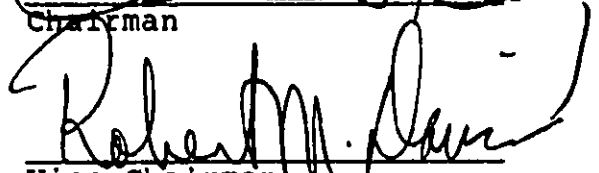
(2) Within 30 days of the date of this Order, Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) In its next purchased gas adjustment filing, Mt. Olivet shall use the rates authorized herein as the basis for computing any change in rates.

Done at Frankfort, Kentucky, this 21st day of March, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 9918-AA DATED 3/21/89

The following rates are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates: Monthly

First	1,000 cu. ft. or less	\$6.50	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.7706	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.5706	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.4206	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.2206	

The base rate for the future application of the purchased gas adjustment clause of Mt. Olivet Natural Gas Company, Inc. shall be:

Demand Commodity

Columbia Gas Transmission Corporation - \$3.3248 per Dth